

68



## Connecticut Fair Housing Center

### TESTIMONY OF ATTORNEY JEFF GENTES IN OPPOSITION TO HOUSE BILL 5549

#### *An Act Concerning the Filing of a Motion to Open a Judgment of Foreclosure*

Co-Chairs Coleman and Fox, Members of the Committee, thank you for the opportunity to speak today. I'm Jeff Gentes, and I'm the Managing Attorney for Foreclosure Prevention at the Connecticut Fair Housing Center. On behalf of the Center's clients, and the thousands of homeowners with whom we speak every year, we strongly oppose House Bill 5549.

The Center is the only nonprofit in Connecticut that represents homeowners facing foreclosure. Through intakes and clinics, we have reached homeowners in 160 towns since 2010, and have spoken with more than 600 people facing foreclosure in 2012 alone. We continue to see a foreclosure crisis: one in 13 Connecticut homeowners with a mortgage is at least 90 days behind, and we won't see the midpoint of the crisis until later this year. At the Center we see dozens of homeowners facing imminent foreclosure but who still have a chance, and we work with housing counselors and attorneys who see homeowners in similar circumstances.

These circumstances arise for a variety of reasons – perhaps the homeowners are working with their mortgage company and the mortgage company told them not to worry about the impending foreclosure date. Maybe they've fallen victim to a scam and did not realize until they received a "Notice of Judgment" – which usually arrives less than 30 days before the Law Day – that they were facing foreclosure. Or perhaps their circumstances have changed for the better; maybe they've finally found a job that pays enough to keep their house. All these homeowners must file a motion to open judgment in order to keep their home.

We talk to homeowners like this every month – by our conservative count, at least forty homeowners in this situation have been able to avoid foreclosure by filing a motion to open their foreclosure judgment through our advice or representation. House Bill 5549 would have stopped every one of these homeowners from keeping their house. Based on what we've seen, and what the private attorneys and housing counselors with whom we work have seen, House Bill 5549 would lead to hundreds, if not thousands, of otherwise preventable foreclosures.

There is no good reason for this bill to pass. Even if it would stop the small number who use the status quo and "appeal stays" to buy themselves time, judges already have the tools to prevent abuse. Two of my own New Haven cases illustrate this point. In one, Judge Zemetis has allowed judgment to be opened on the Law Day, the last possible day, four times, and the homeowner was eventually approved for a workout. In another, the foreclosure started in 2009 and the homeowner filed two bankruptcies on her own in order to buy time. There the judge allowed her a chance to apply for a bridge loan, given the recent and drastic improvement in her circumstances, but prevented her from using the appeal stay to buy time. Both cases represent an appropriate use of judicial discretion, discretion that must be preserved.

I ask that you oppose House Bill 5549, and thank you for your time today.